

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 22 day of August, 19 96, between the City of Nicholasville, a Kentucky Municipal Corporation of the third class in Jessamine County, KY, 517 N. Main St. Nicholasville, KY. 40356,
(Address)
hereinafter referred to as the "Seller" and the Lexington-South Elkhorn Water District, a Kentucky rural water district, 200 W. Maple Street, Nicholasville, KY. 40356,
(Address)
hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of Chapter 74 of the ~~XXXXX~~ Kentucky Revised Statutes; Exhibit "A" attached, for the purpose of constructing and operating a water supply distribution system serving water users within the area described in ~~plans now on file in the office of the Purchaser~~ and to accomplish this purpose, the Purchaser will require a supply of treated water, and

Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown in the plans of the system ~~now on file in the office of the Purchaser~~, and

Whereas, by passage of Resolution No. in Exhibit "A" attached enacted on the _____ day of August, 19 96, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said Water Purchase Contract was approved, and the execution of this contract carrying out the said provisions by the Mayor, and attested by the Secretary, was duly authorized, and

Whereas, by Motion of the Board of Commissioners of the Purchaser, enacted on the _____ day of _____, 19 _____, the purchase of water from the Seller in accordance with the terms set forth in the said Water Purchase Contract was approved, and the execution of this contract by the Chairman, and attested by the Secretary was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser, which Purchaser agrees to buy, ~~at the point of delivery and in the amount specified~~, during the term of this contract or any renewal or extension thereof, all ~~of~~ potable treated water meeting applicable purity standards of the Natural Resources & Environmental Protection Cabinet's Division of Water

in such quantity as ~~may be~~ required by the Purchaser ~~to serve the territory it is annexing on the east side of Jessamine County, Kentucky, as described in Exhibit "A" attached.~~ to serve the territory it is annexing on the east side of Jessamine County, Kentucky, as described in Exhibit "A" attached.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure ~~XXXXXX~~

~~XX~~ from an existing sixteen (16) inch main supply at a point located on

Logan Lane and at such other points of delivery as the parties may agree.

If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment whenever requested by the Purchaser but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate

shall be corrected for the three (3) months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller

and Purchaser shall agree upon a different amount. The metering equipment shall be read on a monthly basis. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

4. (Billing Procedure) To furnish the Purchaser at the above address ~~XXXXXX~~ with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than ~~XX~~ ten (10) days ^{after billing} ~~XXXXXX~~ for water delivered in accordance with the following schedule of rates:

~~XXXXXX~~ for the first ~~XXXXXX~~ gallon which amount shall be the ~~XXXXXX~~

~~XXXXXX~~ for each additional 1000 gallons of water in excess of ~~XXXXXX~~ gallon which

~~XXXXXX~~

~~XXXXXX~~ for each additional 1000 gallons of water in excess of ~~XXXXXX~~ gallon which

Monthly service charge:

<u>Size of Meter</u> <u>inches</u>	<u>Charge</u> <u>\$</u>
3/4	3.70
1	4.15
1-1/2	4.70
2	6.25
3	17.70
4	21.90
6	31.80
8	43.05

Volume charge, per 1,000 gallons..... 1.81 (all water usage)

Minimum bill: service charge plus volume charge for water use

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system

of the Purchaser, the sum of \$5,000 dollars which shall cover any and all costs of the Seller for installation

of the metering equipment and any and all necessary appurtenances, including the master meter.

C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) That this contract shall extend for a term of 45 years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. (Delivery of Water) That thirty (30) days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.

3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, ~~in respect of water~~ the metering equipment has been installed at that time, and ~~the charges for~~ provided

~~the charges for~~ prevailing rates which will be paid by the contractor or, on his failure to pay, by the Purchaser.

4. (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.

5. (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by the Seller subject to PSC requirements and the restrictions imposed herein. The Purchaser for water delivered are subject to modification at the end of every one (1) year period/ Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, but such costs shall not include increased capitalization of the Seller's system. Other provisions of this contract may be modified or altered by mutual agreement.

6. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

8. (Successor to the Purchaser) That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

9. (Option to Purchase) Should Purchaser determine that the system, as contained in the area described in Exhibit "A" attached hereto, is for sale, then the Seller shall have the right of first refusal for acquisition of all retail service rights, easements, rights-of-way, and all other assets (fixed or otherwise) within the system as described. Seller shall be notified in writing by Purchaser of any bona fide offer Purchaser may have and Seller shall have 120 days thereafter to meet such offer. If Seller does not sign a binding contract to purchase, without condition and within the allotted time, squarely matching the other offer, then Seller's right of first refusal shall automatically expire.

10. If the Purchaser is unable to obtain the RECD loan and the grant from HUD under its CDBG program within five (5) years from the date of this contract, Seller and Purchaser agree that both of them shall be automatically released from their obligations hereunder and this contract shall become void.

11. The Purchaser agrees to buy, during the term of this Contract, or any renewal or extension thereof, all potable, treated water, meeting applicable purity standards of the Natural Resources & Environmental Protection Cabinet's Division of Water in such quantity as is required to serve the territory it is annexing on the east side of Jessamine County, Kentucky, as described in Exhibit "A" attached.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in three (3) counterparts, each of which shall constitute an original.

Seller:

CITY OF NICHOLASVILLE

By Sam E. Cornman

Title Mayor, City of Nicholasville

Attest:

Bonnie Dean
CITY CLERK ~~XXXXXXXX~~

Purchaser:

LEXINGTON-SOUTH ELKHORN WATER DISTRICT

By ✓ [Signature]

Title Chairman

Attest:

[Signature]
Secretary

This contract is approved on behalf of the Farmers Home Administration this 18TH day of AUG-1951,

19 98.

By James H. Hall

Title Rural Utilities Specialist

Southeasterly Service Area

Beginning at a point in the centerline of Chrisman Mill Road (KY 1541), said point being the northwesterly corner of PVA Parcel 071-00-00-028.00, thence easterly with the centerline of Chrisman Mill Road to the intersection of Cobb Lane, excluding PVA Parcels 083-00-00-006.00, 083-00-00-012.00 thru 083-00-00-012.02, situated westerly of Chrisman Mill Road between Logana Road and Cobb Lane, thence with the centerline of Cobb Lane to a point being due north of the northeasterly corner of PVA Parcel 083-00-00-025.01, thence due south to the northeasterly corner of PVA Parcel 083-00-00-025.01, thence southerly with the easterly property line of PVA Parcel 083-00-00-025.01 to a point in the northerly property line of PVA Parcel 092-00-00-019.00, thence easterly with the northerly property line of PVA Parcel 092-00-00-019.00 and continuing with the northerly and easterly property line of PVA Parcel 092-00-00-020.00 to the southeasterly corner of PVA Parcel 092-00-00-020.00, thence with the northerly property line of PVA Parcels 093-00-00-001.00, 093-00-00-004.00 thru 093-00-00-006.00, 093-00-00-013.00 thru 093-00-00-015.00 in a easterly direction to a point on the northerly line of PVA Parcel 093-00-00-022.00, thence with the north property line of PVA Parcel 093-00-00-022.00 in a easterly direction to the centerline of the Kentucky River, thence with the meanders of the Kentucky River in a westerly direction to Hickman Creek, thence northerly with the centerline of Hickman Creek to the southerly most corner of PVA Parcel 050-00-00-033.00, thence with the westerly property line of PVA Parcel 050-00-00-033.00 in a northeasterly direction to the southwesterly corner of PVA Parcel 050-00-00-032.00, thence with the westerly and northerly property line of PVA Parcel 050-00-00-032.00 to the southwesterly corner of PVA Parcel 050-00-00-031.00, thence with the westerly property line of PVA Parcel 050-00-00-031.00 to the centerline of Sugar Creek (KY 1268), thence northerly with the centerline of Sugar Creek Road to the northwesterly corner of PVA Parcel 050-00-00-037.00, thence leaving Sugar Creek Road and continuing with the northerly property line of PVA Parcel 050-00-00-037.00 to the centerline of Hickman Creek, thence northerly with Hickman Creek to the westerly most corner of PVA Parcel 062-00-00-003.00, thence northeasterly along the property line of PVA Parcel 062-00-00-003.00 to a point in the centerline of Hickman Creek, thence northerly with the meanders of Hickman Creek to the south property line of PVA Parcel 061-00-00-019.00, thence leaving Hickman Creek and continuing with the southerly property line of PVA Parcels 061-00-00-019.00 and 061-00-00-015.00 to the southwesterly corner of PVA Parcel 061-00-00-015.00, thence northerly with the westerly property line of PVA Parcel 061-00-00-015.00 extended to the centerline of Watts Mill Road, thence northeasterly with the centerline of Watts Mill Road to the southern most corner of PVA Parcel 061-00-00-013.00, thence

SERVICE AREA #1

leaving Watts Mill Road and continuing northwesterly with the property line of PVA Parcel 061-00-00-013.00 to the centerline of Sugar Creek Road (KY 1268), thence with the centerline of Sugar Creek Road to the westerly most corner of PVA Parcel 061-00-00-013.00, thence leaving Sugar Creek Road in a northeasterly direction along the northwesterly property line of PVA Parcels 061-00-00-013.00, 061-00-00-010.00 and 061-00-00-009.00, thence easterly with the north property line of PVA Parcel 061-00-00-009.00 and continuing with the north property line of PVA Parcel 061-00-00-007.00 to the northerly most corner of PVA Parcel 061-00-00-007.00, said point being on the southwesterly line of PVA Parcel 061-00-00-005.00, thence northwesterly and northeasterly with the property line of PVA Parcel 061-00-00-005.00 to the northerly most corner of PVA Parcel 061-00-00-005.00, said point being on the southwesterly line of PVA Parcel 060-00-00-035.00, thence northwesterly along the property line of PVA Parcel 060-00-00-035.00 to a point, said point being a southwesterly projection of the common property line of PVA Parcels 060-00-00-035.00 and 060-00-00-026.00, thence northeasterly along said projected property line to the centerline of Sulphur Well Road (KY 39), said point being the northeasterly corner of PVA Parcel 060-00-00-035.00, thence southerly along the centerline of Sulphur Well Road to the northerly property line of PVA Parcel 060-00-00-036.00, thence leaving Sulphur Well Road and continuing along the northerly property line of PVA Parcel 060-00-00-036.00 to the northerly most corner of PVA Parcel 060-00-00-036.00, thence southerly along the property line of PVA Parcel 060-00-00-036.00 to a point on the northerly line of PVA Parcel 072-00-00-013.01, thence with the northerly property line of PVA Parcel 072-00-00-013.01 and continuing with the northerly and easterly property line of PVA Parcel 072-00-00-013.00, said point being on the northerly property line of PVA Parcel 072-00-00-014.00, thence with the northerly and easterly property line of PVA Parcel 072-00-00-014.00 in a southerly direction to the southwesterly corner of Elmwood Estates, thence with the southerly and easterly boundary of Elmwood Estates to the centerline of Elm Fork Road, thence northwesterly along the centerline of Elm Fork Road to the intersection of Feck Lane, thence northeasterly with the centerline of Feck Lane to the westerly property line of PVA Parcel 072-00-00-045.00, thence leaving Feck Lane and continuing with the westerly and northerly line of PVA Parcel 072-00-00-045.00 to a point in the westerly property line of PVA Parcel 072-00-00-052.00, thence northerly with westerly property line of PVA Parcel 072-00-00-052.00 to a point on the southerly property line of PVA Parcel 072-00-00-024.00, thence with the southerly and westerly property line of PVA Parcel 072-00-00-024.00 to the southeasterly corner of PVA Parcel 072-00-00-021.00, thence westerly with the southerly property line of PVA Parcel 072-00-00-021.00 and continuing with the southerly property line of PVA Parcel 071-00-00-043.00 to the southwesterly most corner of PVA parcel 071-00-00-043.00, thence in a northeasterly direction along the property line of PVA parcel 071-00-00-043.00 projected to the southeasterly corner of PVA Parcel 071-00-00-030.01, thence northwesterly along the southerly property line of PVA Parcel 071-00-00-030.01 and continuing along the southerly and westerly property line of PVA Parcel 071-00-00-028.00 to the point of beginning. Southeasterly Service Area amended by deletion of Areas 5 & 6 as described hereon.